

**EIGHTY-SEVENTH GENERAL ASSEMBLY  
2018 REGULAR SESSION  
DAILY  
SENATE CLIP SHEET**

**February 26, 2018**

**Clip Sheet Summary**

Displays all amendments, fiscal notes, and conference committee reports for previous day.

<b>Bill</b>	<b>Amendment</b>	<b>Action</b>	<b>Sponsor</b>
<a href="#">SF 2311</a> .....	<a href="#">S-5038</a> .....	Filed	MICHAEL BREITBACH
<a href="#">SF 2311</a> .....	<a href="#">S-5039</a> .....	Filed	MICHAEL BREITBACH

**Fiscal Notes**

[SF 2043](#) — [Inheritance Tax](#) (LSB5568XS)  
[SF 2357](#) — [Small Claims Court](#) (LSB1567SV)



S-5038

1 Amend Senate File 2311 as follows:

2 1. Page 12, by striking lines 16 through 18 and inserting  
3 <The utility shall ~~not~~ represent energy efficiency or demand  
4 response in customer billings as a separate cost or expense  
5 ~~unless the board otherwise approves.~~>

By MICHAEL BREITBACH

S-5038 FILED FEBRUARY 22, 2018



S-5039

1 Amend Senate File 2311 as follows:

2 1. Page 16, by striking lines 4 through 20 and inserting:

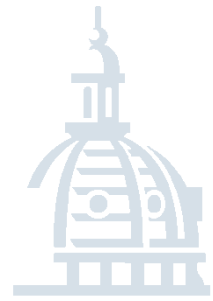
3 <1. A ~~municipality, corporation or cooperative association~~  
4 public utility providing electrical or gas service shall not  
5 consider the use of renewable energy sources by a customer as  
6 a basis for establishing discriminatory rates or charges for  
7 any service or commodity sold to the customer or discontinue  
8 services or subject the customer to any other prejudice or  
9 disadvantage based on the customer's use or intended use of  
10 renewable energy sources. As used in this section, "*renewable*  
11 *energy sources*" includes but is not limited to solar heating,  
12 wind power and the conversion of urban and agricultural organic  
13 wastes into methane gas and liquid fuels.

14 2. A gas or electric utility not subject to rate regulation  
15 by the board pursuant to section 476.1A or section 476.1B shall  
16 be presumed not to have established discriminatory rates or  
17 charges in violation of this section if the rates or charges  
18 are exclusively based on cost factors, including the time  
19 necessary for recovering the costs of service, load factors,  
20 time of use, quantity of use, and quantity of service.>

By MICHAEL BREITBACH

S-5039 FILED FEBRUARY 22, 2018





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**SF 2043** – Inheritance Tax Elimination (LSB5568XS)

Analyst: Jeff Robinson (515.281.4614) [jeff.robinson@legis.iowa.gov](mailto:jeff.robinson@legis.iowa.gov)

Fiscal Note Version – New

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**Description**

**Senate File 2043** repeals the State inheritance tax and the State qualified use inheritance tax. The repeal is effective July 1, 2018, and applies to deaths occurring on or after that date.

**Background**

Inheritances received by a spouse or lineal ascendants and descendants (children, grandchildren, parents, grandparents, etc.) are exempt from Iowa inheritance tax under current law. For those inheritances not exempt, the tax rate varies by size of the inheritance and category of inheritor.

- If the net value of the entire estate is less than \$25,000, the tax rate is 0.0%.
- For a brother, sister, son-in-law, or daughter-in-law, the rate is 5.0% to 10.0%.
- For an aunt, uncle, niece, nephew, foster child, cousin, brother-in-law, sister-in-law, and all other individual persons, the rate is 10.0% to 15.0%.
- For firms and for-profit corporations and organizations, the rate is 15.0%.
- For charitable, educational, or religious organizations organized under the laws of any other state or country, the rate is 10.0%.
- For bequests for religious services in excess of \$500, the rate is 10.0%.
- For unknown heirs, the rate is 5.0%.
- For public libraries and art galleries, hospitals, humane societies, municipal corporations, or for the care of cemetery or burial lots, or bequests for religious services not to exceed \$500, the rate is 0.0%.

The State qualified use inheritance tax may apply to certain property of the decedent that was used in farming or other trade or business.

**Assumptions**

- For FY 2018 and FY 2019, the assumed amount of revenue the State will receive under current law is equal to the December 2017 Revenue Estimating Conference inheritance tax estimate.
- For years beyond FY 2019, inheritance tax revenue is projected to grow 3.6% per year.
- In most instances, the tax payment is due nine months after the death date. Therefore, the revenue impact of the July 1, 2018, repeal is delayed.

**Fiscal Impact**

The repeal of the State inheritance tax and the State qualified use inheritance tax is projected to reduce net General Fund revenue by \$29.2 million in FY 2019 and \$95.8 million in FY 2020. The revenue reduction is projected to grow by 3.6% per year after FY 2020.



**Source**

Iowa Department of Revenue

/s/ Holly M. Lyons

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February 21, 2018

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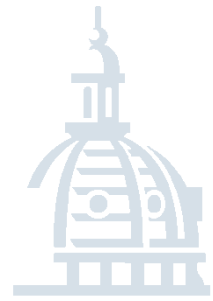
The fiscal note for this Bill was prepared pursuant to Joint Rule 17 and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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# Fiscal Note

*Fiscal Services Division*



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**SF 2357** – Small Claims Court (LSB1567SV)

Analyst: Laura Book (515.205.9275) [laura.book@legis.iowa.gov](mailto:laura.book@legis.iowa.gov)

Fiscal Note Version – New

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## **Description**

[Senate File 2357](#) makes jurisdictional changes to small claims court cases. The Bill provides that a small claims court case commenced on or after July 1, 2018, shall not involve damages or value in excess of \$7,500. The Bill further provides that the jurisdictional amount shall revert to \$5,000 if a court finds the \$7,500 amount unconstitutional.

## **Background**

Under current law, a small claims court case shall not involve damages or value in excess of \$5,000. Under Iowa Code section [631.2](#), small claims cases may be tried by a Judicial Magistrate, a District Associate Judge, or a District Judge. Judicial Magistrates oversee most small claims cases. There are currently 206 authorized Judicial Magistrate positions.

## **Assumptions**

- The cost of an individual Judicial Magistrate position is \$51,447.
- Increasing the small claims cap will increase the overall Judicial Magistrate workload by 7.5%.
- Small claims case filings will increase by 29,263 filings (50.0%), from 58,525 to 87,788. District court civil petition filings will decrease by 29,263.

## **Fiscal Impact**

[Senate File 2357](#) will have a negative impact on the Judicial Branch operating budget. The expanded jurisdiction of small claims cases will result in an increased caseload for Judicial Magistrates. It is estimated that an additional 11 Judicial Magistrates will be needed in order to meet the increased caseload demands, resulting in an additional cost of approximately \$566,000 to the Judicial Branch operating budget. The expanded jurisdiction of small claims cases will remove some of the caseload burden from District Court Judges, but this shift is not estimated to offset the costs incurred from hiring additional Judicial Magistrates.

The Bill will also have a negative fiscal impact on the State General Fund due to a loss of revenue from filing fees. The filing fee for small claims is \$85, and the filing fee for a district court civil petition is \$185. Raising the small claims cap from \$5,000 to \$7,500 will result in an increase in small claims filing fees and a decrease in district court civil petition filing fees.

**Table 1** shows the estimated decrease in filing fee revenue.

**Table 1: SF 2357, Fee Revenue from Filings Valued \$5,000 to \$7,500**

<b>Proposed (Small Claims Fee)</b>	<b>Current Law (District Ct. Fee)</b>	<b>Difference</b>
\$2,488,000	\$5,414,000	(\$2,926,000)



**Source**

Judicial Branch

/s/ Holly M. Lyons

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February 22, 2018

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The fiscal note for this Bill was prepared pursuant to Joint Rule 17 and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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